Support in the 1990's: Where We are Heading

Peter A. Cunningham
President, INPUT

Notes

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Support?
or
Services?
or
Support Services?

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Support

- Maintenance
- Training (multilevel)
- Documentation
- Clarification (hotline)

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Services

- Education
- Enhancement
- Logistics
- Optimization
- Consulting
- Customization
  - Installation/conversion
  - Customer interaction

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Software Changing from a Product to a Service

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Characteristics of Service

- Recurring revenues
- Continuous use
- Pay by use

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U.S. Software Market Trends

- Targets
  - 1970s, products
  - 1980s, support
  - 1990s, services/solutions

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U.S. Software Market Trends

- Away from standard
  - Towards uniqueness
- Supported by standards

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Worldwide Software Products Markets

	1990	1995
Total	55	135

Market Size ($ Billion)

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U.S. Software Products Markets

	1990	1995
Applications	17	33
Systems	17	35

Market Size ($ Billion)

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Software Support Markets Europe

	1989	1994
Systems Products	13	20
Applications Products	12	16

Proportion of Market (Percent)

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Software Support Markets U.S.

	1989	1994
Systems Products	23	25
Applications Products	15	20

Proportion of Market (Percent)

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Problem Identification

- 63% "no problems"
- Response time
- Repair and fix times
- Software performance and functionality

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Software Support Ratings

Offering	User Rating *	Vendor Rating *
Centralized support	3.1	4.5
Free training	2.6	4.2
Purchased training	2.0	3.9
Custom software	2.1	4.2

* 1 = Least Value; 5 = Greatest Value

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Software Support Ratings

Offering	User Rating *	Vendor Rating *
Consulting	2.7	3.8
S/W fixes	3.3	4.6
Upgrades	3.6	4.5

* 1 = Least Value; 5 = Greatest Value

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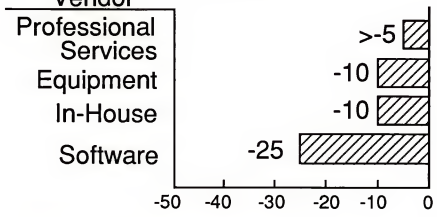
User Perception Application Support



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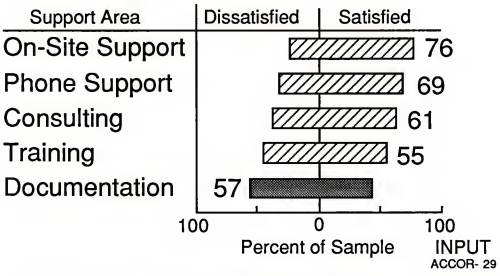
Software Support Satisfaction by Support Area



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User Training Requirements

- Increase
  - 47% of respondents
  - Software complexity/sophistication
  - Lack of in-house time or skills
  - Introduce new users

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User Training Requirements

- Remain the same
  - 36% of respondents
  - In-house support supplement
  - Third-party providers

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User Training Requirements

- Decrease
  - 17% of respondents
  - Better documentation
  - Software user-friendly qualities
  - Market training products
  - Third-party providers

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Futures

- Embedded diagnostics
- Problem/use data bases
- Expert system resolution
- CBT

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Services and Product Markets Blurring

- Professional services use of
  - CASE
  - Kernels

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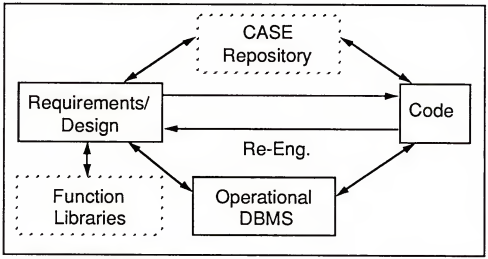
Emerging CASE Environment



Development Management

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Potentially, Biggest Impact Since System/360

- Repositioning of information systems departments within the corporation
- Rearrangement of vendors, products and strategies

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Applications Software Products Impact

- Build (rebuild) using standard CASE tools
- Potentially, continuum of totally *standard* to totally customized applications

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Applications Software Products Impact

- Customizing wide open
  - Software vendor
  - Systems integrator (may be identical)
  - In-house

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Less Differentiation in System Development

- Standard methodologies and tools reduce skill gaps:
  - In-house vs. vendor
  - Vendor A vs. vendor B
- Hardware/software without adequate CASE support may be much harder to justify

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Technology Application to Software Support/Services

- Networks
- Parallel view
- Expert systems
- Embedded documentation
- Embedded training
- Data/information bases

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Technology Application to Software Support/Services

- Embedded software
- Voice services
  - 800 numbers
  - 900 numbers
- Image/fax services
- Remote printing

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Contact Trends

- Bulletin boards
- Newsletters (electronic and paper)
- User meetings (electronic and physical)

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Support Pricing

- 'Bundling' with licenses
- 'Bundling' with systems maintenance

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Keys to Success

- Use of technology
- Pricing
- Customer sensitivity
- Services (solution) orientation
- Standards

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Customer Satisfaction

- Proactive not reactive
- Timely (event driven)
- Objective

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Proactive vs Reactive

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~~A~~ CORP. MKTG.

ACCOR for Peter 10/30

(1) SUPPORT IN THE 1990's: WHERE ARE WE HEADING

PETER A. CUNNINGHAM
PRESIDENT, INPUT

(2) SUPPORT ?
OR
SERVICES ?
OR
SUPPORT SERVICES?

(3) PROACTIVE VS REACTIVE.

(7) SOFTWARE CHANGING FROM A PRODUCT TO A SERVICE

(4) CHARACTERISTICS OF SERVICE
- RECURRING REVENUES
- CONTINUOUS USE
- PAY BY USE.

(5)

SUPPORT

- MAINTENANCE
- TRAINING (MULTI-LEVEL)
- DOCUMENTATION
- CLARIFICATION (HOTLINE)

SERVICES

- EDUCATION
- ENHANCEMENTS
- CONSULTING
- CUSTOMER INTERACTION
- IMPLEMENTATION/CONVERSION
- INTEGRATION
- CUSTOMIZATION
- LOGISTICS
- OPTIMIZATION

USER GROUPS
BULLETIN BOARDS
900 SERVICES
800 SERVICES

US SOFTWARE MARKET TRENDS

(9)

- AWAY FROM STANDARDS
- TOWARDS UNIQUENESS.
- SUPPORTED BY STANDARDS

TECHNOLOGY MAKES POSSIBLE.

- NEURONICS
- PARALLEL VIEWS
- EXPERT SYSTEMS.
- EMBEDDED DOCUMENTATION
- DATA/INFORMATION BASES
- EMBEDDED SOFTWARE IN INFORMATION

- VOICE SERVICES
  - 800 NUMBERS
  - 900 NUMBERS
- IMAGE (FAX) SERVICES
- ELECTRONIC SERVICES

(8)

U.S. SOFTWARE MARKET TRENDS

. TARGETS
- 1970s, PRODUCTS
- 1980s, SUPPORT
- 1990s, SERVICES/SOLUTIONS.

(6)

SERVICES.

- EDUCATION
- ENHANCEMENT
- ~~INSTALLATION~~/ ~~CONVERSION~~
- OPTIMIZATION
- CONSULTING
- CUSTOMIZATION
- ~~CUSTOMER~~
- LOGISTICS
  - INSTALLATION/CONVERSION
  - CUSTOMER INTERFACE

~~SERVICES~~

- ~~CUSTOMER INTERACTION~~
- USER GROUPS
- ~~BULLETIN BOARDS~~

WM-20.

~~MARKETS~~

U.S. SOFTWARE PRODUCTS MARKETS

(10)

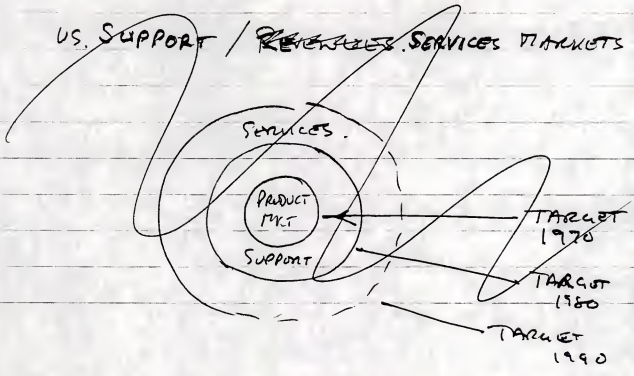
MARKET SIZE ($ BILLION)		
1990	1995	
17	33	APPLICATIONS
17	35	SYSTEMS

WORLDWIDE SOFTWARE PRODUCTS MARKETS

(11)

MARKET SIZE $ BILLION		
1990	1995	
TOTAL 55	135	~~APPLICATIONS~~
		~~SYSTEMS~~.

US. SUPPORT / ~~REVENUES~~ SERVICES MARKETS



TECHNOLOGY APPLICATION TO SOFTWARE SUPPORT/SERVICES

(12)

- NETWORKS ← PARALLEL VIEW
- EXPERT SYSTEMS ~~ELECTRONIC SERVICES~~
- EMBEDDED DOCUMENTATION
- EMBEDDED TRAINING
- DATA/INFORMATION BASES
- EMBEDDED SOFTWARE
- VOICE SERVICES
  - 800 NUMBERS
  - 900 NUMBERS

(13)

- IMAGE/FAX SERVICES
- REMOTE PRINTING.

both

(14)

KEYS TO SUCCESS

- USE OF TECHNOLOGY
- PRICING
- CUSTOMER SENSITIVITY (SOLUTION)
- SERVICES ORIENTATION.
- STANDARDS

~~- CLOUD~~

(15)

CUSTOMER SATISFACTION

- PROACTIVE NOT REACTIVE
- TIMELY (EVENT DRIVEN)
- OBJECTIVE.

(16)

SERVICES AND PRODUCT MARKETS BLURRING

PROFESSIONAL SERVICES USE OF:

- CASE
- KERNELS.

~~AD45~~
AD50, ~~ST52~~
~~AD54~~

(17)

FUTURES

- EMBEDDED DIAGNOSTICS
- PROBLEM/USE DATA BASES
- EXPERT SYSTEM RESOLUTION
- CBT.

SMSE II-13 MACS. EXHIBIT V-3. EXHIBIT V-6
3 Chunks

(19) PROBLEM IDENTIFICATION

- 63% "NO PROBLEMS"
- RESPONSE TIME
- REPAIR AND FIX TIMES
- SOFTWARE PERFORMANCE & FUNCTIONALITY.

EUROPEAN SUPPORT MARKET

1989

1.18 / 7.69 = 587 SYSTEMS 3.83 / 1585. 1960

0.65 / 4.73 = 538 APPLICATIONS 2.34 12.78 15.12

(18) SUPPORT PRICING.

- 'BUNDLING' WITH LICENSES
- 'BUNDLING' WITH SYSTEMS MAINTENANCE

(20) CONTACT TRENDS

- BULLETIN BOARDS
- NEWSLETTERS (ELECTRONIC & PAPER)
- USER MEETINGS (ELECTRONIC & PHYSICAL)
- ~~PROBLEM TRACK RECORDS~~.

9

(12) end

SOFTWARE SUPPORT MARKETS

EUROPE

PROPORTION OF MARKET

1984	1994	
13%	20%	SYSTEMS PRODUCTS
12%	16%	APPLICATIONS PRODUCTS

(13) end

SOFTWARE SUPPORT MARKETS

U.S.

PROPORTION OF MARKET

1984	1994	
23%	25%	SYSTEMS PRODUCTS
15%	20%	APPLICATIONS PRODUCTS

[illegible]

REPORTS
- MICS V-3, V-6 (3 CHARTS)
- SMSE II-13 ✓
- FMSW P&I II-3.

BIBLE
- WM-20
- AD 45
- AD 50, 51, 52, 54